

Assembly Bill No. 584

Passed the Assembly September 9, 1997

Chief Clerk of the Assembly

Passed the Senate September 2, 1997

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 1997, at ____ o'clock __M.

Private Secretary of the Governor

└

CHAPTER ____

An act to amend Sections 130051, 130051.5, 130051.9, 130051.17, and 130051.18 of, to add Section 130051.28 to, and to add Chapter 6 (commencing with Section 130600) to Division 12 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 584, Villaraigosa. Transportation: Los Angeles County Metropolitan Transportation Authority: inspector general: code of conduct.

(1) Existing law requires the Los Angeles County Metropolitan Transportation Authority to appoint an inspector general.

This bill would require the authority to appoint the inspector general to a term of office of 4 years, subject to removal from that office only under specified circumstances.

(2) Existing law requires the Los Angeles County Metropolitan Transportation Authority to adopt and implement an ordinance for the regulation of lobbying, to include specified minimum provisions.

This bill would prescribe a code of conduct for the board of the authority and would create a state-mandated local program by imposing additional duties on a local governmental entity.

(3) Existing law authorizes the appointment of alternate members to the Los Angeles County Metropolitan Transportation Authority.

This bill would delete that authorization and would make related changes in existing law.

(4) This bill would provide that certain provisions of the bill restricting the receipt of contributions by authority board members would not become operative if SB 89 is enacted and becomes operative on or before January 1, 1998.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain



costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) In order to protect the integrity of the board of the Los Angeles County Metropolitan Transportation Authority (hereafter MTA) and sustain the confidence of the people of Los Angeles County, it is necessary to do all of the following:

(1) Articulate specific standards and guidelines to assure that those entrusted with public authority avoid conduct that undermines respect for the MTA.

(2) Provide a comprehensive statement of pertinent laws and regulations, ethical principles, considerations, and obligations governing the conduct of board members and their staff and provide a comprehensive and unified statement of ethical principles, considerations, and obligations to sustain the public trust in the MTA.

(3) Enhance the understanding of the laws and ethical principles that create the obligations of MTA board members and their staff.

(4) Establish positive, effective, and comprehensive guidance for the conduct of MTA board members and their staff.

(b) MTA board members enter into a special trust relationship with the people of Los Angeles County involving legal and moral obligations. One aspect of these obligations requires that those entrusted with public authority unfailingly demonstrate that they are worthy of



the public's respect and committed to maintaining the absolute integrity of government.

(c) The people of Los Angeles County need and deserve an agency whose commitment to pursuing public interest outweighs any competing personal or political considerations.

(d) No code of conduct can anticipate all situations nor can it prescribe behaviors that are appropriate to most situations.

(e) Board members and their staff must exercise discretion and judgment to adhere to the spirit of the Code of Conduct codified by this act in Chapter 6 (commencing with Section 130600) of Division 12 of the Public Utilities Code. It is essential to recognize that an act is not ethical simply because it is legal and conduct is not proper simply because it is permissible. Board members should be willing to do more than the law requires and less than it allows. Strict compliance is not necessarily enough, and attempts to evade or circumvent ethics laws and rules are improper. All actions, decisions, and votes should be made on their merits, objectively and without party, regional, or ideological bias.

(f) The Code of Conduct views the obligations of the MTA board members and their staff in a positive way. The statements of ethical standards and specific sanctions to enforce them are not driven by negative assumptions about the character of those who serve on the board. Instead they reflect the need for clarity and a commitment to the noble dimension of democratic government.

SEC. 2. Section 130051 of the Public Utilities Code is amended to read:

130051. The Los Angeles County Metropolitan Transportation Authority consists of 14 members, as follows:

(a) Five members of the Los Angeles County Board of Supervisors.

If the number of members of the Los Angeles County Board of Supervisors is increased, the authority shall,



within 60 days of the increase, submit a plan to the Legislature for revising the composition of the authority.

(b) The Mayor of the City of Los Angeles.

(c) Two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles.

(d) Four members, each of whom shall be a mayor or a member of a city council, appointed by the Los Angeles County City Selection Committee. For purposes of the selection of these four members, the County of Los Angeles, excluding the City of Los Angeles, shall be divided into the following four sectors:

- (1) The North County/San Fernando Valley sector.
- (2) The Southwest Corridor sector.
- (3) The San Gabriel Valley sector.
- (4) The Southeast Long Beach sector.

The League of California Cities, Los Angeles County Division, shall define the sectors. Every city within a sector shall be entitled to vote to nominate one or more candidates from that sector for consideration for appointment by the Los Angeles County City Selection Committee. A city's vote shall be weighted in the same proportion that its population bears to the total population of all cities within the sector.

The members appointed pursuant to this subdivision shall be appointed by the Los Angeles County City Selection Committee upon an affirmative vote of its members which represent a majority of the population of all cities within the county, excluding the City of Los Angeles.

The members selected by the city selection committee shall serve four-year terms with no limitation on the number of terms that may be served by any individual. The city selection committee may shorten the initial four-year term for one or more of the members for the purpose of ensuring that the members will serve staggered terms.

(e) If the population of the City of Los Angeles, at any time, becomes less than 35 percent of the combined population of all cities in the county, the position of one



of the two public members appointed pursuant to subdivision (c), as determined by the Mayor of the City of Los Angeles by lot, shall be vacated, and the vacant position shall be filled by appointment by the city selection committee pursuant to subdivision (d) from a city not represented by any other member appointed pursuant to subdivision (d).

(f) One nonvoting member appointed by the Governor.

SEC. 3. Section 130051.5 of the Public Utilities Code is amended to read:

130051.5. Every member of the Los Angeles County Metropolitan Transportation Authority is subject to Section 87100 of the Government Code.

SEC. 4. Section 130051.9 of the Public Utilities Code is amended to read:

130051.9. (a) The Los Angeles County Metropolitan Transportation Authority shall appoint a full-time chief executive officer who shall act for the authority under its direction and perform those duties delegated by the authority.

(b) The chief executive officer shall be appointed to a term of four years and shall be removed from office only upon the occurrence of one or both of the following:

(1) A two-thirds majority of the members of the authority votes for removal.

(2) The chief executive officer violates a federal or state law, regulation, local ordinance, or policy or practice of the authority, relative to ethical practices, including, but not limited to, the acceptance of gifts or contributions.

(c) The chief executive officer shall approve and award all contracts for construction, and that approval shall be based upon the lowest responsible and responsive bid submitted.

(d) The Los Angeles County Metropolitan Transportation Authority shall appoint a general counsel and board secretary.

SEC. 5. Section 130051.17 of the Public Utilities Code is amended to read:



130051.17. (a) Prior to the approval of any contract by the Los Angeles County Metropolitan Transportation Authority, or by any organizational unit of the authority, the authority shall adopt an ordinance comparable to Chapter 9.5 (commencing with Section 89500) of Title 9 of the Government Code, which regulates the acceptance of gifts by members of the authority, members of the board of an organizational unit, and designated employees, as defined by Section 82019 of the Government Code, of the authority. The ordinance shall prohibit any designated employee of the authority from accepting gifts with a total value of more than two hundred fifty dollars (\$250) in a calendar year from any single source.

(b) The ordinance shall require the limitations on receiving gifts by members of the authority, and members of the board of an organizational unit who are not elected local officials to be substantially comparable to those specified by Chapter 9.5 (commencing with Section 89500) of Title 9 of the Government Code.

(c) For the purposes of this section, “gift” has the same meaning as defined in Section 82028 of the Government Code.

(d) (1) Payments, advances, or reimbursements, for travel, including actual transportation and related lodging and subsistence which is reasonably related to a governmental purpose, or to an issue of local, state, national or international public policy, is not prohibited or limited by this section if either of the following apply:

(A) The travel is in connection with a speech given by a member, member of the board of an organizational unit, or designated employee, the lodging and subsistence expenses are limited to the day immediately preceding, the day of, and the day immediately following the speech, and the travel is within the United States.

(B) The travel is provided by a government, a governmental agency, a foreign government, a governmental authority, a bona fide public or private educational institution, as defined in Section 203 of the Revenue and Taxation Code, or a nonprofit charitable or



religious organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, or by a person domiciled outside the United States which substantially satisfies the requirements for tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

(2) Gifts of travel not described in paragraph (1) are subject to the limits in this section.

(3) Paragraph (1) applies only to travel which is reported on the recipient's statement of economic interest.

(4) For purposes of this section, a gift does not include travel which is provided by the Los Angeles County Metropolitan Transportation Authority.

(5) (A) The policy shall specify appropriate penalties for violations by employees including, but not limited to, personnel action.

(B) The policy shall specify appropriate penalties for violations by members of the authority, and the members of the board of an organizational unit who are not subject to Chapter 9.5 (commencing with Section 89500) of Title 9 of the Government Code, which shall include, but not be limited to, removal from office by the appointing authority.

SEC. 6. Section 130051.18 of the Public Utilities Code is amended to read:

130051.18. Prior to the approval of any contract by the Los Angeles County Metropolitan Transportation Authority, or by any organizational unit of the authority, the authority shall adopt and implement an ordinance for the regulation of lobbying which shall include, at a minimum, the provisions of this section.

(a) For purposes of this section, the following terms are defined as follows:

(1) "Activity expense" means any expense incurred or payment made by a lobbyist, lobbying firm, or lobbyist employer, or arranged by a lobbyist, lobbying firm, or lobbyist employer, which benefits in whole or in part any authority official, or a member of the immediate family of an authority official.



(2) “Administrative testimony” means influencing or attempting to influence authority action undertaken by any person or entity who does not seek to enter into a contract or other arrangement with the authority by acting as counsel in, appearing as a witness in, or providing written submissions, including answers to inquiries, which become a part of the record of, any proceeding of the authority which is conducted as an open public hearing for which public notice is given.

(3) “Authority” means the Los Angeles County Metropolitan Transportation Authority and all of its organizational units as defined by Section 130051.11.

(4) “Authority action” means the drafting, introduction, consideration, modification, enactment, or defeat of an ordinance, resolution, contract, or report by the governing board of an organizational unit of the authority, or by an authority official, including any action taken, or required to be taken, by a vote of the members of the authority or by the members of the governing board of an organizational unit of the authority, except those actions relating to Article 10 (commencing with Section 30750) of Chapter 5 of Part 3 of Division 10.

(5) “Authority official” means any member of the authority, member of an organizational unit of the authority, and employee of the authority.

(6) “Contribution” means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes.

An expenditure made at the behest of a candidate, committee, or elected officer is a contribution to the candidate, committee, or elected officer unless full and adequate consideration is received for making the expenditure.

“Contribution” also includes the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events; the candidate’s own money or property used on behalf of his or her candidacy; the

granting of discounts or rebates not extended to the public generally or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; the payment of compensation by any person for the personal services or expenses of any other person if such services are rendered or expenses incurred on behalf of a candidate or committee without payment of full and adequate consideration.

“Contribution” also includes any transfer of anything of value received by a committee from another committee, unless full and adequate consideration is received.

“Contribution” does not include amounts received pursuant to an enforceable promise to the extent such amounts have been previously reported as a contribution. However, the fact that such amounts have been received shall be indicated in the appropriate campaign statement.

“Contribution” does not include a payment made by an occupant of a home or office for costs related to any meeting or fundraising event held in the occupant’s home or office if the costs for the meeting or fundraising event are five hundred dollars (\$500) or less.

“Contribution” does not include volunteer personal services or payments made by any individual for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid to him or her.

(7) “Employee of the authority” means anyone who receives compensation from the authority for full- or part-time employment, and any contractor, subcontractor, consultant, expert, or adviser acting on behalf of, or providing advice to, the authority.

(8) “Filing officer” means the individual designated by the authority with whom statements and reports required by this section shall be filed.

(9) “Lobbying” means influencing or attempting to influence authority action through direct or indirect communication, other than administrative testimony, with an authority official.



(10) “Lobbying firm” means any business entity, including an individual lobbyist, which meets either of the following criteria:

(A) The business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, for the purpose of influencing authority action on behalf of any other person, and any partner, owner, officer, or employee of the business entity is a lobbyist.

(B) The business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, to communicate directly with any agency official for the purpose of influencing authority action on behalf of any other person, if a substantial or regular portion of the activities for which the business entity receives compensation is for the purpose of influencing authority action.

(11) “Lobbyist” means any individual who receives any economic consideration, other than reimbursement for reasonable travel expenses, for lobbying, including consultants and officers or employees of any business entity seeking to enter into a contract with the authority.

(12) “Lobbyist employer” means any person, other than a lobbying firm, who does either of the following:

(A) Employs one or more lobbyists for the purpose of influencing authority action.

(B) Contracts for the services of a lobbying firm for economic consideration for the purpose of influencing authority action.

(b) (1) Lobbyists, lobbying firms, and lobbyist employers shall register with the filing officer within 10 days after qualifying as a lobbyist, lobbying firm, or lobbyist employer. Registration shall be completed prior to the commencement of lobbying by the lobbyist. Registration shall include the filing of a registration statement, and the payment of any fees authorized by this section. Registration shall be renewed annually by the filing of a new registration statement and the payment of a fee.



(2) Each lobbyist, lobbying firm, and lobbyist employer required to register under this section may be charged a fee by the authority that shall be in an amount necessary to pay the direct costs of implementing this section.

(3) The lobbyist registration statement shall include all of the following:

(A) The name, address, and telephone number of the lobbyist.

(B) For each person from whom the lobbyist receives compensation to provide lobbying services, all of the following:

(i) The full name, business address, and telephone number of the person.

(ii) A written authorization signed by the person.

(iii) The time period of the contract or employment agreement.

(iv) The lobbying interests of the person.

(C) A statement signed by the lobbyist certifying that he or she has read and understands the prohibitions contained in subdivisions (f) and (g).

(4) The registration statement of a lobbying firm shall include all of the following:

(A) The full name, business address, and telephone number of the lobbying firm.

(B) A list of the lobbyists who are partners, owners, officers, or employees of the lobbying firm.

(C) For each person with whom the lobbying firm contracts to provide lobbying services, all of the following:

(i) The full name, business address, and telephone number of the person.

(ii) A written authorization signed by the person.

(iii) The time period of the contract.

(iv) Information sufficient to identify the lobbying interests of the person.

(D) A statement signed by the designated responsible person that he or she has read and understands the prohibitions contained in subdivisions (f) and (g).



(5) The registration statement of a lobbyist employer shall include all of the following:

(A) The full name, business address, and telephone number of the lobbyist employer.

(B) A list of the lobbyists who are employed by the lobbyist employer.

(C) The lobbying interests of the lobbyist employer, including identification of specific contracts or authority actions.

(D) A statement signed by the designated responsible person that he or she has read and understands the prohibitions contained in subdivisions (f) and (g).

(6) (A) The registration statement may be amended within 10 days of a change in the information included in the statement. However, if the change includes the name of a person by whom a lobbyist is retained, the registration statement shall be amended to show that change prior to the commencement of lobbying by the lobbying firm or the lobbyist.

(B) Lobbying firms and lobbyist employers upon ceasing all lobbying activity which required registration shall file a notice of termination within 30 days after the cessation.

(C) Lobbyists and lobbyist firms shall remain subject to subdivisions (f) and (g) for 12 months after filing a notice of termination.

(c) Lobbyists, lobbying firms, and lobbyist employers which receive payments, make payments, or incur expenses or expect to receive payments, make payments, or incur expenses in connection with activities which are reportable pursuant to this section shall keep detailed accounts, records, bills, and receipts for four years, and shall make them reasonably available for inspection for the purposes of auditing for compliance with, or enforcement of, this section.

(d) When a person is required to report activity expenses pursuant to this section, all of the following information shall be provided:

(1) The date and amount of each activity expense.

(2) The full name and official position, if any, of the beneficiary of each expense, a description of the benefit, and the amount of the benefit.

(3) The full name of the payee of each expense if other than the beneficiary.

(e) (1) A lobbying firm shall file a periodic report containing all of the following:

(A) The full name, address, and telephone number of the lobbying firm.

(B) The full name, business address, and telephone number of each person who contracted with the lobbying firm for lobbying services, a description of the specific lobbying interests of the person, and the total payments, including fees and the reimbursement of expenses, received from the person for lobbying services during the reporting period.

(C) A copy of the periodic report completed and verified by each lobbyist in the lobbying firm pursuant to paragraph (2).

(D) Each activity expense incurred by the lobbying firm including those reimbursed by a person who contracts with the lobbying firm for lobbying services.

(E) The date, amount, and the name of the recipient of any contribution of one hundred dollars (\$100) or more made by the filer to an authority official.

(2) A lobbyist shall complete and verify a periodic report, and file his or her report with the filing officer, and a copy of the report with his or her lobbying firm or lobbyist employer. The periodic report shall contain all of the following:

(A) A report of all activity expenses by the lobbyist during the reporting period.

(B) A report of all contributions of one hundred dollars (\$100) or more made or delivered by the lobbyist to any authority official during the reporting period.

(3) A lobbyist employer shall file a periodic report containing all of the following:

(A) The name, business address, and telephone number of the lobbyist employer.



(B) The total amount of payments to each lobbying firm.

(C) The total amount of all payments to lobbyists employed by the filer.

(D) A description of the specific lobbying interests of the filer.

(E) A periodic report, completed and verified by each lobbyist employed by a lobbyist employer pursuant to paragraph (1) of subdivision (e).

(F) Each activity expense of the filer and a total of all activity expenses of the filer.

(G) The date, amount, and the name of the recipient of any contribution of one hundred dollars (\$100) or more made by the filer to an authority official.

(H) The total of all other payments to influence authority action.

(4) (A) The periodic reports shall be filed within 30 days after the end of each calendar quarter. The period covered shall be from the beginning of the calendar year through the last day of the calendar quarter prior to the 30-day period during which the report is filed, except that the period covered by the first report a person is required to file shall begin with the first day of the calendar quarter in which the filer first registered or qualified.

(B) The original and one copy of each report shall be filed with the filing officer, shall be retained by the authority for a minimum of four years, and shall be available for inspection by the public during regular working hours.

(f) (1) It is unlawful for a lobbyist, a lobbying firm, or a lobbyist employer to make gifts to an authority official aggregating more than ten dollars (\$10) in a calendar month, or to act as an agent or intermediary in the making of any gift, or to arrange for the making of any gift by any other person.

(2) It is unlawful for any authority official knowingly to receive any gift which is made unlawful by this section. For the purposes of this subdivision, “gift” has the same meaning as defined in Section 130051.17.



(g) No lobbyist or lobbying firm shall do any of the following:

(1) Do anything with the purpose of placing an authority official under personal obligation to the lobbyist, the lobbying firm, or the lobbyist's or the firm's employer.

(2) Deceive or attempt to deceive any authority official with regard to any material fact pertinent to any authority action.

(3) Cause or influence any authority action for the purpose of thereafter being employed to secure its passage or defeat.

(4) Attempt to create a fictitious appearance of public favor or disfavor of any authority action, or cause any communications to be sent to any authority official in the name of any fictitious person or in the name of any real person, except with the consent of that real person.

(5) Represent falsely, either directly or indirectly, that the lobbyist or the lobbying firm can control any authority official.

(6) Accept or agree to accept any payment that is contingent upon the outcome of any authority action.

(h) Any person who knowingly or willfully violates any provision of this section is guilty of a misdemeanor.

(i) The District Attorney of the County of Los Angeles is responsible for the prosecution of violations of this section.

(j) Any person who violates any provision of this section is liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction of the authority for an amount up to five hundred dollars (\$500), or three times the amount of an unlawful gift or expenditure, whichever is greater.

(k) The authority shall reject any bid or other proposal to enter into a contract with the authority by any person or entity that has not complied with the registration and reporting requirements of this section.

(l) The provisions of this section are not applicable to any of the following:



(1) An elected public official who is acting in his or her official capacity to influence authority action.

(2) Any newspaper or other periodical of general circulation, book publisher, radio or television station which, in the ordinary course of business, publishes or broadcasts news items, editorials, or other documents, or paid advertisement, that directly or indirectly urges authority action, if the newspaper, periodical, book publisher, radio or television station engages in no further or other activities in connection with urging authority action other than to appear before the authority in support of, or in opposition to the authority action.

(m) No former authority official shall become a lobbyist for a period of one year after leaving the authority.

SEC. 7. Section 130051.28 is added to the Public Utilities Code, to read:

130051.28. (a) The Los Angeles County Metropolitan Transportation Authority shall appoint an inspector general to a term of office of four years. The inspector general shall be removed from office only if either or both of the following occur:

(1) A two-thirds majority of the members of the authority votes for removal.

(2) The inspector general violates a federal or state law or regulation, a local ordinance, or a policy or practice of the authority, relative to ethical practices, including, but not limited to, the acceptance of gifts or contributions.

(b) The inspector general shall, at a noticed public hearing of the authority, report quarterly on the expenditures of the authority for travel, meals and refreshments, private club dues, membership fees and other charges, and any other expenditures which are specified by the authority.

(c) Any investigatory file compiled by the inspector general is an investigatory file compiled by a local law enforcement agency subject to disclosure pursuant to subdivision (f) of Section 6254 of the Government Code.

SEC. 8. Chapter 6 (commencing with Section 130600) is added to Division 12 of the Public Utilities Code, to read:

CHAPTER 6. CODE OF CONDUCT FOR THE BOARD OF THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY

130600. For purposes of this chapter, the following terms have the following meanings:

(a) “Board” means the board of directors of the Los Angeles County Metropolitan Transportation Authority

(c) “Entitlement for use” includes all contracts except competitively bid, labor, or personal employment contracts, regardless of whether an individual accepts, solicits, or directs the contribution for himself or herself or on behalf of any other candidate or committee.

(d) “Gift” has the same meaning as defined in Section 82028 of the Government Code.

(e) “Indirect investment or interest” means any investment or interest owned by the spouse or dependent children of an individual, by an agent on behalf of the individual, or by a business entity or trust in which the individual, the individual’s agents, spouse, or dependent children own directly, indirectly or beneficially a 10 percent interest or greater.

(f) “Participant” means any person, other than a party, as defined in subdivision (g), who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license permit or other entitlement for use, including contract actions, and who has a financial interest in the decision. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the board members or MTA employees, testifies in person before the MTA, or otherwise acts to influence officers of the agency.

(g) “Party” means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use to competitively bid



on contracts, including contract amendments and change orders.

(h) “MTA” means the Los Angeles County Metropolitan Transportation Authority.

130605. Any reference in this chapter to “chief executive officer,” “general counsel,” “counsel,” “inspector general,” “board secretary,” or “secretary” is to the officers of the Los Angeles County Metropolitan Transportation Authority appointed under Sections 130051.9 and 130051.25.

130610. (a) The board shall appoint an ethics officer, who shall report to the board.

(b) When in doubt as to the applicability of any provision of this chapter to any particular situation, a board member shall contact the general counsel or the ethics officer for advice.

130615. (a) The provisions of this chapter shall be enforced by the inspector general.

(b) Any violation of this chapter that is also a violation of other state law or of local or federal law may also be prosecuted by the appropriate authority.

(c) Upon notice of a possible violation of this chapter, the board shall refer the matter to the inspector general for investigation. Upon completion of the investigation, if the matter has been determined not to be criminal in nature and to be of such a nature that it may be disclosed, the inspector general shall report the findings to the board. If the matter is determined to be criminal in nature, the inspector general shall refer the matter to the appropriate enforcement authorities for prosecution.

130620. (a) Sanctions for violations of this chapter shall be determined by the board. The sanctions imposed shall depend upon the severity of the infraction and may be progressive unless the violation is determined to be so egregious as to warrant more severe action initially.

(b) The board may consult with the inspector general for an opinion regarding the sanctions appropriate to any particular violation.

(c) Sanctions imposed under this section may include, but are not limited to, any of the following:

- (1) Private reprimand by the board.
- (2) Public censure by the board at a regularly scheduled meeting.
- (3) Disqualification from participating in any discussion or vote on any matter related to the violation.
- (4) Removal of the board member from one or more committees for a period of time.
- (5) Permanent removal of the board member from one or more committees.
- (6) Suspension from all board actions for a period of time.
- (7) A monetary fine in an amount determined by the board.

(d) If a board member is criminally indicted, he or she shall be suspended from all board actions for the duration of the criminal proceeding. If the board member is acquitted of the charges, he or she shall return to the board as a full, participating member.

(e) For violations of this chapter that result in findings of criminal or civil liability, the board may recommend additional sanctions to the inspector general after the civil or criminal proceedings are completed.

130625. Confidential information, particularly investigative reports for the inspector general, shall not be disseminated beyond the authorized recipient of the report.

130630. The role of the board as it relates to the MTA is as follows:

(a) The board provides counsel and direction to management and shall not be involved in the day-to-day affairs of the MTA.

(b) Board members do not have individual power or authority over the MTA. That power and decision-making authority lie with the full board.

130635. The rules of conduct at board meetings shall apply to all matters under consideration by the board except for ceremonial matters and are as follows:

(a) Board members shall treat MTA staff members and each other with respect and courtesy.



(b) Disagreements shall not result in personal comments or attacks against an MTA staff member or another board member.

(c) When any member is recognized to speak at a board meeting, the board member shall address the chair.

(d) When two or more members address the chair at the same time, the chair shall name the member who is to be the first to speak.

(e) When speaking, a member shall confine his or her remarks to the topic under debate or discussion.

(f) Each member, in the order recognized by the chair, shall have not more than five minutes to speak.

(g) Answers to questions asked by a member shall be counted against the member's five minutes.

(h) Once having recognized a member to speak, the chair shall not recognize that member to be heard again, except to answer questions, until all other board members have had an opportunity to speak.

(i) All members shall have an opportunity to speak before the chair may enter the discussion.

(j) After all members desiring to speak have had an opportunity to be heard once, the time for each member desiring to speak again, or for the first time, shall be limited to a maximum of three minutes.

(k) There shall be no limit to the number of times a member is allowed to speak.

(l) The secretary shall time the members when discussion of an issue begins and notify the chair when a member's time has expired.

130640. (a) Members shall not publicly engage in personal attacks on MTA employees or attempt to discipline any employee.

(b) Any concerns regarding an employee's performance shall be communicated to the chief executive officer.

(c) Any concerns regarding the performance of an officer of the board shall be communicated to that officer.

(d) Nothing in this section limits the right of the board to evaluate board officers.

130650. Committee chairs shall present items from their committee meetings and the recommendation of their committee.

130655. (a) All members shall be afforded an adequate opportunity to review written motions having financial or policy implications prior to the board meeting.

(b) A written motion having financial or policy implications shall be referred to the appropriate committee for recommendation to the full board, unless the motion is distributed to all board members not later than 48 hours prior to the board meeting or this requirement is waived by the vote of nine board members.

130660. (a) Board members or their staff are prohibited from soliciting or accepting any gift from MTA contractors or from persons or entities that have submitted a proposal or bid for an MTA contract.

(b) Board members or their staff shall not accept gifts aggregating two hundred eighty-nine dollars (\$289) or more, as specified in Section 89502 or 89503 of the Government Code, from a single source in any calendar year.

(c) Board members shall disqualify themselves from participating in a decision that may have a financial effect upon a source of income aggregating two hundred fifty dollars (\$250) or more or a donor of gifts aggregating two hundred eighty-nine dollars (\$289) or more, if those gifts were received within 12 months preceding the time of the decision.

(d) Board members shall not accept gifts aggregating more than ten dollars (\$10) in a calendar month from an MTA registered lobbyist, lobbying firm, or lobbyist employer.

(e) Board members shall report on their annual Statement of Economic Interest gifts aggregating fifty dollars (\$50) or more and income of two hundred fifty dollars (\$250) or more received from a single source in a calendar year.



130665. (a) Board members or their staff shall not accept any payment made for a speech given, an article published, participation in a program, or any other appearance at a public or private conference, convention, meeting, social event, meal, or similar gathering.

(b) This section does not prohibit payments for actual personal services rendered in connection with a member's practice of a bona fide business, trade, or profession.

130670. Reimbursement for travel or lodging may be exempt from the provisions prohibiting gifts if the travel is related to MTA business. That reimbursement, however, shall be reported in the annual Statement of Economic Interest. The general counsel may be consulted prior to accepting payment or reimbursement to determine whether that reimbursement should be disqualified as a gift.

130675. Board members shall not direct any MTA employee, contractor or potential contractor to make a charitable contribution to a specified agency.

130680. (a) The chief executive officer shall be responsible for ensuring the MTA has an independent professional procurement staff. The chief executive officer and designated procurement staff shall be responsible for conducting an independent, autonomous procurement process in accordance with state and federal law.

(b) Board members shall use objective judgment in voting on a procurement award and base their decision on the criteria established in the procurement documents.

(c) Board members or their staff shall not attempt to influence contract awards.

(d) During any procurement process, board members or their staff shall not communicate with MTA staff regarding the procurement.

(e) Before the staff recommendation for an award is made public, board members or their staff shall only communicate with the chief executive officer or his or her

designee regarding the procurement. The chief executive officer shall keep a log of those communications and shall report those communications and responses in writing at the board meeting where action on the procurement is scheduled.

(f) Board members or their staff shall not attempt to obtain information about the recommendation of the award of a contract until the recommendation is made public.

(g) Board members shall not release information about the procurement to the public until the award recommendation is made public.

(h) If a board member attempts to communicate with MTA staff to influence the recommended award, this communication shall be reported by staff to the inspector general.

130685. (a) Prior to the issuance of a request for proposal (RFP), request for interest in qualification (RFIQ), or invitation for bid (IFB), and ending on the date of the selection of the contractor, no person or entity submitting a proposal in response to the RFP, RFIQ, or IFB, nor any officer, employee, representative, agent, or consultant representing the proposer shall contact by any means or engage in any discussion concerning the award of the contract with any board member or his or her staff. Any contact shall be grounds for the disqualification of the proposer.

(b) A board member who receives any communication from a proposer in violation of this chapter shall report that communication to the inspector general. The inspector general shall forward this information to the director of contracts and responsible procurement staff.

(c) Board members shall not meet with a person or entity who submitted a proposal in response to the RFP, RFIQ, or IFB, nor any officer, employee, representative, agent, or consultant representing the proposer regarding a protest submitted regarding the recommended contract award or any lawsuit or potential lawsuit regarding the recommended contract award.



130690. Board members and their staff shall refrain from conduct that they know or reasonably should know is likely to create in the minds of reasonable observers the perception that the board member or staff member used his or her public position improperly.

130695. (a) No board member shall accept, solicit, or direct a contribution, including contributions to candidates and committees in federal, state, or local elections, of more than two hundred fifty dollars (\$250) from any party, or that party's agent, or from any participant, or that participant's agent, while a proceeding involving a license, permit, or other entitlement for use, is pending before the MTA and for six months following the date a final decision is rendered. This prohibition applies regardless of whether the individual accepts, solicits, or directs the contribution for himself or herself or on behalf of any other candidate or committee.

(b) No board member shall accept, solicit, or direct a contribution of more than two hundred fifty dollars (\$250) from any subcontractor to a contract pending before MTA and for six months following the date a final decision is rendered. This prohibition applies regardless of whether the individual accepts, solicits, or directs the contribution for himself or herself or on behalf of any other candidate or committee.

(c) MTA board members or their staff or agents shall not solicit political contributions from other employees or contractors while on duty and shall not coerce those contributions.

(d) MTA board members or staff or agents shall not, directly or indirectly, knowingly solicit political funds or political contributions from other officers or employees of the MTA or from persons on the employment lists of the MTA. Nothing in this section prohibits an MTA officer or employee from communicating through the mail or by other means requests for political funds or contributions to a significant segment of the public which may include officers or employees of the MTA.

(e) Prior to rendering any decision on an entitlement for use pending before the MTA, each board member who received a contribution within the preceding twelve months in an amount of more than two hundred fifty dollars (\$250) from a party, subcontractor to a party, or from any participant shall disclose that fact on the record of the proceeding.

(f) If a board member receives a contribution that would otherwise require disqualification under this section, and returns the contribution within 30 days from the time he or she knows, or should have known, about the contribution and the proceeding involving a license permit or other entitlement for use, he or she shall be permitted to participate in the proceeding.

(g) All alternates or designees to the MTA board representing members of the Los Angeles County Board of Supervisors are prohibited from participating in or voting on a decision where the member they represent has received a contribution that disqualifies that member from participating in the decision.

(h) Board members and their staff shall not use MTA employees to solicit campaign contributions from MTA contractors, potential contractors, or other MTA employees. MTA employees and contractors and potential contractors may make contributions on their own.

(i) No board member or member of his or her staff shall make, participate in making, or in any way attempt to use his or her official position to influence a contract decision if the board member has willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent, if the board member knows or has reason to know that the participant has a financial interest in the matter under deliberation. This prohibition includes contributions from subcontractors.

130700. (a) Board members or their staff shall not participate in an MTA decision in which they know or have reason to know that they have a financial interest.



(b) Board members shall not be purchasers at any sale, or vendors at any purchase, that is made personally by that member.

(c) An individual is deemed to have a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect on that individual or the individual's immediate family, distinguishable from its effect on the public generally, or on any of the following:

(1) Any business entity in which the board member or staff member has a direct or indirect investment worth one thousand dollars (\$1,000) or more.

(2) Any real property in which the board member or staff member has a direct or indirect interest worth one thousand dollars (\$1,000) or more.

(3) Any source of income, other than gifts and other than loans by a commercial lending institution made in the regular course of business in terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the board member or staff member within 12 months prior to the time when the decision is made.

(4) Any business entity in which the board member or a member of his or her staff is a director, officer, partner, trustee, or employee, or holds any position of management.

(5) Any donor or, or any intermediary of, agent for a donor of a gift or gifts aggregating two hundred eighty-nine dollars (\$289) or more in value provided to, received by, or promised to, the board member or staff member within 12 months prior to the time the decision is made.

(d) This section does not prohibit a board member from participating in a decision if that participation is legally required in order for the decision to be made. In that case the individual shall disclose the nature of his or her interest before he or she participates in the decision. For the purposes of this subdivision, the fact that a board



member's vote is necessary to break a tie does not make his or her participation legally required.

130705. (a) Board members or their staff shall not engage in any employment, activity, or enterprise that is inconsistent, incompatible, or in conflict with the duties of an MTA officer.

(b) Board members or their staff shall not use the MTA's facilities, equipment, supplies, badge, prestige, or influence for private gain.

130710. The MTA shall not contract with any of the following:

(a) MTA board members or their staff.

(b) Any profit-making firm or business in which a former board member or member of his or her staff is an officer, principal, partner, or major shareholder.

130715. (a) Former board members or their staff shall not participate in any contract with the agency for a period of 12 months after leaving the board.

(b) MTA shall not contract with any profit-making firm or business in which a former board member or member of his or her staff is an officer, principal, or partner, or is a shareholder who holds more than 10 percent of the stock in the company, for a period of 12 months after the board member has left the board.

130720. Board members shall file Statements of Economic Interest with the ethics officer pursuant to state law, within 30 days of assuming office, annually, and within 30 days of leaving office.

(b) Board members shall file an addendum to the statement required under subdivision (a), disclosing all financial interests both within and outside Los Angeles County, including those financial interests received during the reporting period by all entities in which the member is an officer, principal, partner, or major shareholder.

(c) Any amendments to the Statement of Economic Interest or addendum shall be filed within 30 days of the occurrence of the change.

130725. Any person who receives compensation to regularly provide advice, recommendations, or counsel

to board members regarding MTA activities shall file a Statement of Economic Interest with the MTA within 10 days of the commencement of the consultant relationship and shall update that statement within 30 days of the end of each calendar quarter. This requirement does not apply to a full time employee of a governmental entity who is already required to file a statement.

130730. Any person who regularly provides advice, recommendations, or counsel to board members regarding MTA activities and also advises another agency or entity that has a financial interest in an item before the board shall be prohibited from giving advice to board members and MTA staff regarding that item.

SEC. 9. Section 130695, as proposed to be added to the Public Utilities Code by Section 8 of this act, shall not become operative if SB 89 is also enacted and becomes operative on or before January 1, 1998.

SEC. 10. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

Approved _____, 1997

Governor

